

75384

AG Contract No. KR96 1674TRN  
ADOT ECS File: JPA 96-63  
Project: G1050 54C  
Section: Mayo Blvd. ESP Improvements

INTERGOVERNMENTAL AGREEMENT  
BETWEEN  
THE STATE OF ARIZONA  
AND  
THE CITY OF PHOENIX

THIS AGREEMENT is entered into 10 September, 1996,  
pursuant to Arizona Revised Statutes, Sections 11-951 through 11-954, as amended,  
between the STATE OF ARIZONA, acting by and through its DEPARTMENT OF  
TRANSPORTATION (the "State") and the CITY OF PHOENIX, acting by and through its  
MAYOR and CITY COUNCIL (the "City").

I. RECITALS

1. The State is empowered by Arizona Revised Statutes Section 28-108 to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has delegated to the undersigned the authority to execute this agreement on behalf of the State.

2. The City is empowered by Arizona Revised Statutes Section 41-1513 and 28-1895 et seq to enter into this agreement and has by resolution, a copy of which is attached hereto and made a part hereof, resolved to enter into this agreement and has authorized the undersigned to execute this agreement on behalf of the City.

3. The City has requested Economic Strength Project (ESP) funds in the amount of \$100,000.00; the Arizona Department of Commerce and the Economic Development Commission have recommended the approval of such funds for the City, and the Transportation Board has approved the funding, for the construction of street improvements to Mayo Blvd. from Tatum Blvd. to the 52nd Street wash, to provide improved access, and aid in the retention and development of local business, hereinafter referred to as the Project.

THEREFORE, in consideration of the mutual agreements expressed herein, it is agreed as follows:

=====

NO. <u>21022</u>
FILED WITH SECRETARY OF STATE
Date Filed <u>09/10/96</u>
<u>James Lee Hull</u> Secretary of State
By <u>Vicky Greenwald</u>

## II. SCOPE

### 1. The City will:

a. Insure the additional commitment of 81.3% of the total estimated Project cost, or \$532,320.00, whichever is more, from the City or other sources (not including ESP funds) to the Project. Accomplish construction of the Project by public bidding, in strict compliance with State procurement laws, rules and regulations. Upon completion, approve and accept the Project on behalf of the City and provide maintenance.

b. No more often than monthly, invoice the State, in the form of Exhibit B hereto, for ESP funds (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012), in an amount not to exceed \$100,000.00.

c. Provide the State a copy of the executed Project contract(s), and draw down and expend the State ESP funds no later than six (6) months after the effective date of this agreement. Provide the State detailed written reports of all ESP fund expenditures, supported by invoices, receipts or other suitable and appropriate documentation, and a final accounting report no later than thirty (30) days after ESP funds are fully expended.

d. Reimburse the State any funds received from the State under this agreement which are not specifically and directly expended in compliance with the ESP grant application, which is attached hereto and made a part hereof, and are subsequently disallowed by the State.

e. Provide the State (Arizona Department of Commerce, ATTN: Strategic Finance Division, ESP Program Director, 3800 N. Central Avenue, Suite 1500, Phoenix, AZ 85012) with quarterly Project status reports, and one year after completion of the Project, a written Economic Impact Report detailing the direct and indirect impact of the Project, to include jobs created, jobs retained and related data.

### 2. The State will:

Within thirty (30) days after receipt and approval of the ESP contract(s) and subsequent monthly progress payment invoices, reimburse the City for work completed on the Project funds in an amount not to exceed \$100,000.00.

## III. MISCELLANEOUS PROVISIONS

1. The only interest of the Department of Transportation in the Project is to convey economic strength pass through funds for the use and benefit of the City by reason of state law under which funds for the Project are authorized to be expended.

2. The City agrees to indemnify and save harmless the State, or any of its departments, agencies, officers or employees, from and against all loss, expense, damage or claim of any nature whatsoever which is caused by any activity, condition or event arising out of the performance or non-performance by the State of any of the provisions of this agreement.

3. The total amount of ESP funds expended under this agreement shall not exceed 18.7% of the total Project cost. Should the Project not be completed, be partially completed, or be completed at a lower cost than the advanced amount, or for any other reason should any of these ESP funds not be expended, a proportionate amount of the funds provided under this agreement shall be reimbursed to the State.

4. This agreement shall remain in force and effect until completion of said Project, reimbursement and subsequent reports; provided, however, that this agreement, except any provisions herein for maintenance, which shall be perpetual, may be cancelled at any time prior to the award of a construction contract, upon thirty (30) days written notice to the other party. Further, this agreement may be terminated and the ESP grant cancelled by the State if the City, in the opinion of and by action of the Transportation Board, fails to pursue due diligence on the Project or in the performance of any of the terms of this agreement.

5. This agreement shall become effective upon filing with the Secretary of State.

6. This agreement may be cancelled in accordance with Arizona Revised Statutes Section 38-511 as regards conflicts of interest on behalf of State employees.

7. The provisions of Arizona Revised Statutes Section 35-214 pertaining to 5 year records retention by the City and audit by the State are applicable to this contract.

8. In the event of any controversy which may arise out of this agreement, the parties hereto agree to abide by required arbitration as is set forth in Arizona Revised Statutes Section 12-1518.

9. All notices or demands upon any party to this agreement, except as otherwise specified herein, shall be in writing and shall be delivered in person or sent by mail addressed as follows:

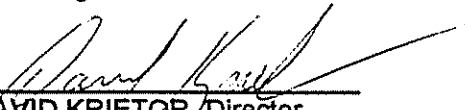
Arizona Department of Transportation  
Joint Project Administration  
205 South 17 Avenue, Mail Drop 616E  
Phoenix, AZ 85007

City of Phoenix  
Community and Economic Development Director  
200 W. Washington Street - 20th floor  
Phoenix, AZ 85003-1611


10. Attached hereto and incorporated herein is the written determination of each party's legal counsel that the parties are authorized under the laws of this state to enter into this agreement and that the agreement is in proper form.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

**CITY OF PHOENIX**, a Municipal Corporation, Frank Fairbanks, City Manager

By   
\_\_\_\_\_  
DAVID KRJETOR, Director  
Community and Economic  
Development

**STATE OF ARIZONA**  
Department of Transportation

By   
\_\_\_\_\_  
JAY KLAGGE, Director  
Transportation Planning


ATTEST:

By   
\_\_\_\_\_  
VICKY MIEL  
City Clerk

RESOLUTION

BE IT RESOLVED on this 6th day of June 1996, that I, the undersigned LARRY S. BONINE, as Director of the Arizona Department of Transportation, have determined that it is in the best interests of the State of Arizona that the Department of Transportation, acting by and through the Highways Division, to enter into an agreement with the City of Phoenix for the purpose of defining responsibilities for conveying Economic Strength funds to the City.

Therefore, authorization is hereby granted to draft said agreement which, upon completion, shall be submitted to the Director, Transportation Planning for approval and execution.

  
for LARRY S. BONINE  
Director

**ECONOMIC STRENGTH PROJECTS  
REQUEST FOR PROPOSAL  
FY 1996 - ROUND 2  
March 29, 1996**

**APPLICATION FORM**

***NOTE: Additional information may be provided in attachments. Be sure to clearly reference and mark such additions and attachments.***

**1. NAME AND ADDRESS OF APPLICANT:**

City of Phoenix, Community and Economic Development Department  
200 West Washington Street, 20th Floor  
Phoenix, Arizona 85003-1411

**2. TYPE OF ORGANIZATION OF APPLICANT: (Check one)**

a) ☒ Local Government only

b) ☐ Private Non Profit / Local Government Joint Application:

Name of Non Profit Agency Involved

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Name of Local Government Involved

City of Phoenix

**3. Describe the function or purpose of applicant organization.**

The Community and Economic Development Department is an agency within the City of Phoenix working to strengthen the Phoenix economy by creating and retaining employment opportunities, enhancing the business environment, increasing revenue and improving the quality of life.

**4. Name, address, and phone number of contact person:**

Brian Kearney, Business Development Administrator  
City of Phoenix, Community and Economic Development Department  
200 West Washington, 20th Floor  
Phoenix, AZ 85003  
(602) 495-5329

**5. Describe the private sector project or activity for which the related ESP funding is**

requested.

The private project includes the construction by the Sumitomo Sitix Corporation of a 520,000 square-foot silicon wafer manufacturing facility. The facility will be located on a 105 acre parcel near Tatum Boulevard, just north of the Reach 11 open space area beyond the Central Arizona Project (CAP) canal. The new \$400 million facility will enable Sitix of Phoenix to produce pure silicon wafers that are used as the basic starting material for most semiconductor devices. Sitix of Phoenix will provide quality employment to approximately 435 people, supplying a \$15 million annual payroll. The facility will provide a local source to meet the needs of the growing semiconductor industry in the Phoenix metropolitan area.

(See attachment C)

6. Describe the Economic Strength Project for which funding is requested. Describe how the ESP project supports/relates to the private sector project described in #5 above.

The Economic Strength Project involves 1/2 street improvements from Tatum Boulevard to the 52nd Street wash corridor, with a focus on Mayo Boulevard. This includes half-street paving on Mayo Boulevard from Tatum Boulevard to 52nd Street (approximately 1/2 mile long). Work includes asphalt paving, curbing, gutters, sidewalks, storm drain catch basins, storm drain pipe, open drainage channel, concrete storm drain box culvert, landscaping, and a traffic signal. These improvements are necessary to support the transportation needs for the Sitix of Phoenix plant, and will provide adequate access for Sitix of Phoenix and the adjacent area. (See attachment D)

7. Describe how the private sector project fits into the community's overall economic development efforts.

The private sector project will provide a significant amount of new employment, investment, and tax revenue within a rapidly growing area of Phoenix. This project is consistent with the City Council adopted Urban Village plan, which strives to provide quality employment for citizens in close proximity to their residence. The city encourages the growth of high-technology industries in Phoenix. The attraction of these wealth-generating firms is critical to bringing high-quality jobs and a significant investment to the community. The Sitix of Phoenix project will be a catalyst for future high-technology and foreign investment in the area, benefitting all citizens in the valley. This private sector project also supports the ASPED/GSPED "Information" Cluster initiatives, as they are described in the Final Report of the "ASPED Advisory Committee and Expert Reports".

8. Describe how the supporting ESP project fits into the Community's overall economic development efforts.

The Northeast Phoenix area has a significant potential as a high-technology center. Planned for a mix of uses, the area offers potential employers a quality environment, a highly skilled and abundant workforce, sound infrastructure, and an expanding transportation network. SGS Thompson is also located about seven miles southwest of Desert Ridge. While Sumitomo is the first high-technology company in Desert Ridge, the city's plan is to recruit similar employers to the area.

The supporting ESP project will improve and complete a half-street adjacent to developed property (which is required by city code), and will provide proper access to the private sector site and the adjacent properties. The off-site improvements will add new and enhance existing infrastructure, which will positively effect surrounding uses and area property values. The improvements will also support the new Mayo facility and other future development located in the Desert Ridge area.

9. How will ongoing maintenance and repair be provided for the ESP project after construction/improvement?

The City of Phoenix will be responsible for maintenance of the public street after completion.

10. Description of ESP project. (Check one)

- a) \_\_\_\_\_ This is an existing roadway.
- b)   X   This is a new roadway.
- c) \_\_\_\_\_ This is a bridge.
- d) \_\_\_\_\_ This is an underpass.
- e) \_\_\_\_\_ Other: \_\_\_\_\_

11. Where is the private sector project located that is supported by this ESP project?

The private sector project will be located on a 105 acre parcel near Tatum Boulevard, just north of the Reach 11 open space area beyond the Central Arizona Project (CAP) Canal. The Reach 11 open space will not be directly impacted by the development of the facility. (See Attachment E).

12. Where is the ESP project located?

- a. In the community:

The ESP project is located in the Northeast Phoenix master planned community of Desert Ridge, near the Reach 11 recreation area.

- b. In relation to the related private sector project:

The ESP project is located on Mayo Boulevard between Tatum Boulevard and the 52nd Street wash corridor. This is the northern border of the private sector project. (See attachments C and D)

13. What is the length (in feet/miles) of the ESP project?

The ESP street project is approximately 0.5 mile in length.

14. What is the width (in feet) of the ESP project?

The overall project width is 140 feet, including paving, drainage facility and landscaping.



In the jobs section below (Q15-Q17), applicants must provide employment and wage-related information for the private sector employers (existing or new) which the ESP fund is supporting. If these projects do not generate certain categories of jobs (job creation, job retention or seasonal jobs), those sections should be left blank.

15. JOB CREATION

a) Construction Phase

Does your project create any public or private construction jobs?

Yes   X   (See Attachment F)

No           

If yes, complete the following; otherwise go to Q15.b.

- |  |                              |
|--|------------------------------|
| (1) Number of construction jobs directly created by private sector | <u>350 (ave.), 700 (max)</u> |
| Number of days or months the construction jobs would last          | <u>12 months</u>             |
| Average hourly wages (See Attachment F)                            | <u>\$ 28.00/hr</u>           |
|  |                              |
| (2) Number of construction jobs directly created by public sector  | <u>45</u>                    |
| Number of days or months the construction jobs would last          | <u>                    </u>  |
| Average hourly wages   | <u>                    </u>  |

**Note: List and provide the above information for each employer included in or supported by your ESP application.**

b) Operation Phase

- |   |                             |
|---|-----------------------------|
| (1) Number of full-time permanent direct jobs created | <u>445</u>                  |
| Average hourly wages (See Attachment F)               | <u>\$ 16.00</u>             |
|   |                             |
| (2) Number of part-time permanent direct jobs created | <u>                    </u> |
| Average number of hours per week                      | <u>                    </u> |
| Average hourly wages                                  | <u>                    </u> |

**Note: List and provide the above information for each employer included in or supported by your ESP application.**

16. JOB RETENTION

- |   |                             |
|---|-----------------------------|
| a. Number of permanent full-time direct jobs retained | <u>  N/A  </u>              |
| Average hourly wages                                  | <u>  \$      </u>           |
|   |                             |
| b. Number of permanent part-time direct jobs retained | <u>                    </u> |
| Average number of hours per week                      | <u>                    </u> |
| Average hourly wages                                  | <u>  \$      </u>           |

- c. How would the lack of the ESP project cause, or contribute to, the loss of these directly effected jobs?

Not applicable.

17. SEASONAL JOBS

If seasonal jobs are a significant part of the operation of private businesses for which you have applied for ESP, complete the following. Otherwise, go to question 18.

- a. Number of seasonal jobs created N/A  
Average number of days per year \_\_\_\_\_  
Average hourly wages \$ \_\_\_\_\_
- b. Number of seasonal jobs retained \_\_\_\_\_  
Average number of days per year \_\_\_\_\_  
Average hourly wages \$ \_\_\_\_\_

c. Further Clarifications

- (1) Are the seasonal jobs created or retained for one year, or would they be occurring on an on-going basis year after year?

**Note: List and provide the above information for each employer included in or supported by your ESP application.**

18. Capital Investment.

- a) What kind of new, additional capital investment will be made by the private sector business or industry assisted by this ESP project? (Building, equipment, etc. at this site).

Sitix or Phoenix will invest approximately \$400 million to construct and equip a state-of-the-art facility. Other on-site improvements will include landscaping, water and sewer infrastructure improvements, and off-site and on-site lighting. Although dependent on market forces, Sitix currently plans to construct a 2nd phase of this project, which would approximately double the initial investment..

- b) What is the purpose and dollar value of the new, additional capital investment that will be made by the private sector business or industry assisted by this ESP project?

\$ 90,000,000	for Site acquisition (vacant land) over 99 years
\$ 100,000,000	for New building construction
\$ 280,000,000	for Machinery and equipment for manufacturing
\$ 10,000,000	for Site selection & preparation
\$ 10,000,000	for Others/training/technology transfer
\$ 490,000,000	Total

19. Cost/benefit Calculation

What is the likelihood that benefit resulting from the project will exceed the cost of the project? Show detail of cost/benefit analysis used to determine the net benefits, if any, of this project.

It is certain that the city and state will receive net increases in sales taxes from the construction and ongoing purchases made by the company and its employees, income taxes from construction payroll and permanent payrolls, annual property taxes and state land lease payments. (See Attachment G)

20. What community(ies) will benefit from this project? How will each listed community benefit?

Residents of the Northeast valley will receive the most direct benefits with reduced traffic congestion and pollution, while enjoying increased employment opportunities within their community. However, all residents of the valley and state will benefit from the additional sales tax revenue, property taxes and economic vitality. The state of Arizona will benefit as future investment and employment opportunities arise as a result of the Sitix of Phoenix project. The operation of this facility in Arizona enhances the operation of other Arizona high-tech companies, as the silicon wafers it produces are the building blocks of the semiconductor industry. These wafers are used by local firms such as Motorola and Intel.

21. List the names of local economic development organizations, and a contact person for each, which are involved with this private sector project. **Include documentation (letters, etc.) showing the involvement and level of support of each organization.**

The Phoenix Chamber of Commerce - Valerie Manning  
Greater Phoenix Economic Council - Ioanna Morphesis  
World Trade Center Arizona Executive Board - James Adler

22. What is the total cost of the entire project? \$ 407,000,000

23. What is the total cost of the ESP portion of the project? \$ 632,320

24. Complete and attach the Budget Detail Schedule, (Attachment A)

25. Complete and attach the Sources and Uses Schedule (Attachment B)

26. Of the total ESP project cost listed in #23 above, how much financial assistance are you requesting from the Economic Strength Projects Fund? \$ 100,000

27. List the sources and amounts of matching funds (both private and public) that will be a part of the total direct ESP project cost.

a) Public Funds:

(1) Name of public entity contributing the match.	Amount
<u>City of Phoenix</u>	<u>\$ 532,320</u>
	<u>\$</u>
Total	<u>\$ 532,320</u>

(2) Cash match contributed to the project.	Amount
- Source (general fund, grants, HURF, etc.)	
<u>ESP Grant</u>	<u>\$ 100,000</u>
	<u>\$</u>
Total	<u>\$ 100,000</u>

(3) In-kind match contributed to the project.	Amount
- Type of match (force account labor.	
construction management, materials, etc.)	
<u>None</u>	<u>\$</u>
	<u>\$</u>
Total	<u>\$</u>

(b) Private Sector funds:

Name of private sector company(ies) contributing matching funds to the ESP project, (if any)	Amount
<u>None</u>	<u>\$</u>
	<u>\$</u>
Total	<u>\$</u>

28. Local utility or other infrastructure expenditures:

- (a) What local public utility or other infrastructure expenditures will need to be made in connection with the (1) private sector project, and (2) the ESP project? For example, expansion of water or waste water treatment facilities due to demands of the new business which the ESP project is assisting; extension of utility lines, major drainage improvements, etc.).

IMPROVEMENT	COST
<u>Extension of water &amp; sewer lines</u>	<u>\$1,448,367.75</u>
(Incl. Pressure reduction station)	
<u>Lift station &amp; force main</u>	<u>\$3,288,000.00</u>
<u>Storm water drainage</u>	<u>\$1,631,312.30</u>
Total	<u>\$6,367,680.05</u>

29. How will the infrastructure expenditures listed in #28 above be funded?

City of Phoenix and appropriate utilities.

30. List below the major milestone activities to be completed in the project and the time schedules for each.

ACTIVITY	START DATE	END DATE
Design	1-22-96	4-11-96
Construction Bid & Award	4-11-96	5-21-96
Construction	6-3-96	9-1-96

31. How soon after receiving approval of your ESP proposal could you begin construction on:

(a) The private sector project? (i.e., days, months)

Immediately.

(b) The ESP project? (i.e., days, months)

Project is scheduled for construction in May 1996.

32. How long will the private sector project take to complete from start to finish? (i.g., days, months)

The construction will take 14 months from start to finish. The ramp up to full capacity will take 2 years. The total project length is less than 3 years.

How long will the ESP project take to complete from start to finish? (i.g., days, months)

The construction will take 32 weeks from official design contract start to construction contract completion.

33. Is there any opposition to either the private sector project or the ESP project. If so, from whom and what is the nature of the opposition?

Yes. Issues have been raised by a small group of environmental activists and individuals who oppose growth in the northeast valley. The City of Phoenix, along with several local organizations, including the Greater Phoenix Economic Council, Phoenix Chamber of Commerce and World Trade Center Arizona, have actively responded to these individuals by providing information which accurately answers their questions or concerns.

34. Is project located in No disadvantaged area of state?

34. Is project located in No disadvantaged area of state?  
No rural area of state?
35. Has this applying entity ever received any previous ESP grant funds.

NO \_\_\_\_\_ YES X \_\_\_\_\_ DATE RECEIVED: 1994

AMOUNT RECEIVED: \$92,292 (Heil Company)  
\$80,000 (Swift Transportation Company)

**UPDATE PERMANENT JOBS, DIRECTLY CREATED AND/OR RETAINED,  
FROM EACH PROJECT LISTED ABOVE.**

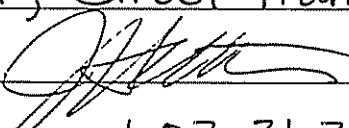
Heil - Currently has over 30 employees, and is projected to employ 80 by the end of 1996.  
Swift - Currently under construction.

36. Certification:

I certify that this project is compatible with other transportation facilities and conforms to all applicable construction and engineering standards.

NAME: James Matteson DATE: 3/28/96

TITLE: Director, Street Transportation Dept., City of Phoenix

SIGNATURE: 

TELEPHONE NUMBER 602-262-6284

NAME OF CONTACT PERSON Brian Kearney (495-5329)

**ATTACHMENT A  
BUDGET DETAIL SCHEDULE**

Note: No contingency costs should be included in the Grand Total of project costs.

ACTIVITY	LABOR OR UNIT PRICE	MATERIALS OR NUMBER OF UNITS	TOTAL CONSTRUCTION COSTS	ARCHITECTURAL / ENGINEERING COSTS	TOTAL ACTIVITY COSTS	PROJECTED ANNUAL OPERATIONS & MAINTENANCE COSTS
Design Consultant Contract				\$68,000	\$68,000	
Construction			\$564,320***		\$564,320	
street maintenance						\$30,000/year
street light energy & maintenance						\$ 1,140/year
<b>Grand Totals</b>			<b>\$564,320</b>	<b>\$68,000</b>	<b>* \$632,320</b>	<b>\$31,140/year</b>

11.

  
\_\_\_\_\_  
signature of Registered Professional

\* Should match Item 23 in the Application and the total of items II C. & D. (1) & (2) in sources of Funds (Attachment B)  
\*\*\* (Please refer to cost estimate - Attachment I - for detailed breakout)

## Attachment B

### SOURCES AND USES STATEMENT

#### I. USES:

##### A. Private Sector Related

1.	Acquisition of Existing Building with land	\$	<u>0</u>
2.	Site Acquisition (vacant land)		<u>\$ 90,000,000</u>
3.	New building construction		<u>\$100,000,000</u>
4.	Remodeling		<u>0</u>
5.	Machinery and Equipment		<u>\$280,000,000</u>
6.	Site preparation		<u>\$ 10,000,000</u>
7.	Other Utilities and Infrastructure		<u>\$ 10,000,000</u>

##### B. Public Sector Related

1.	Total ESP project improvements (Describe below)		<u>\$ 100,000</u>
2.	Local public sector improvements (infrastructure improvements directly related to the project and located on or contiguous to the project site. Do not include ESP related costs here)		<u>\$ 7,000,000</u>
3.	Other _____		

C. Total Uses \$ 497,100,000

#### II. SOURCES:

A.	Private sector project investment		<u>\$ 490,000,000</u>
B.	Local public sector (direct project related)		<u>\$ 6,467,680</u>
C.	Economic Strength Projects Fund (State funds)		<u>\$ 100,000</u>
D.	ESP match		
	(1) From the private sector		<u>\$ 0</u>
	(2) From the public sector		<u>\$ 532,320</u>
E.	Other _____		<u>\$</u>

F. Total Sources \$ 497,100,000

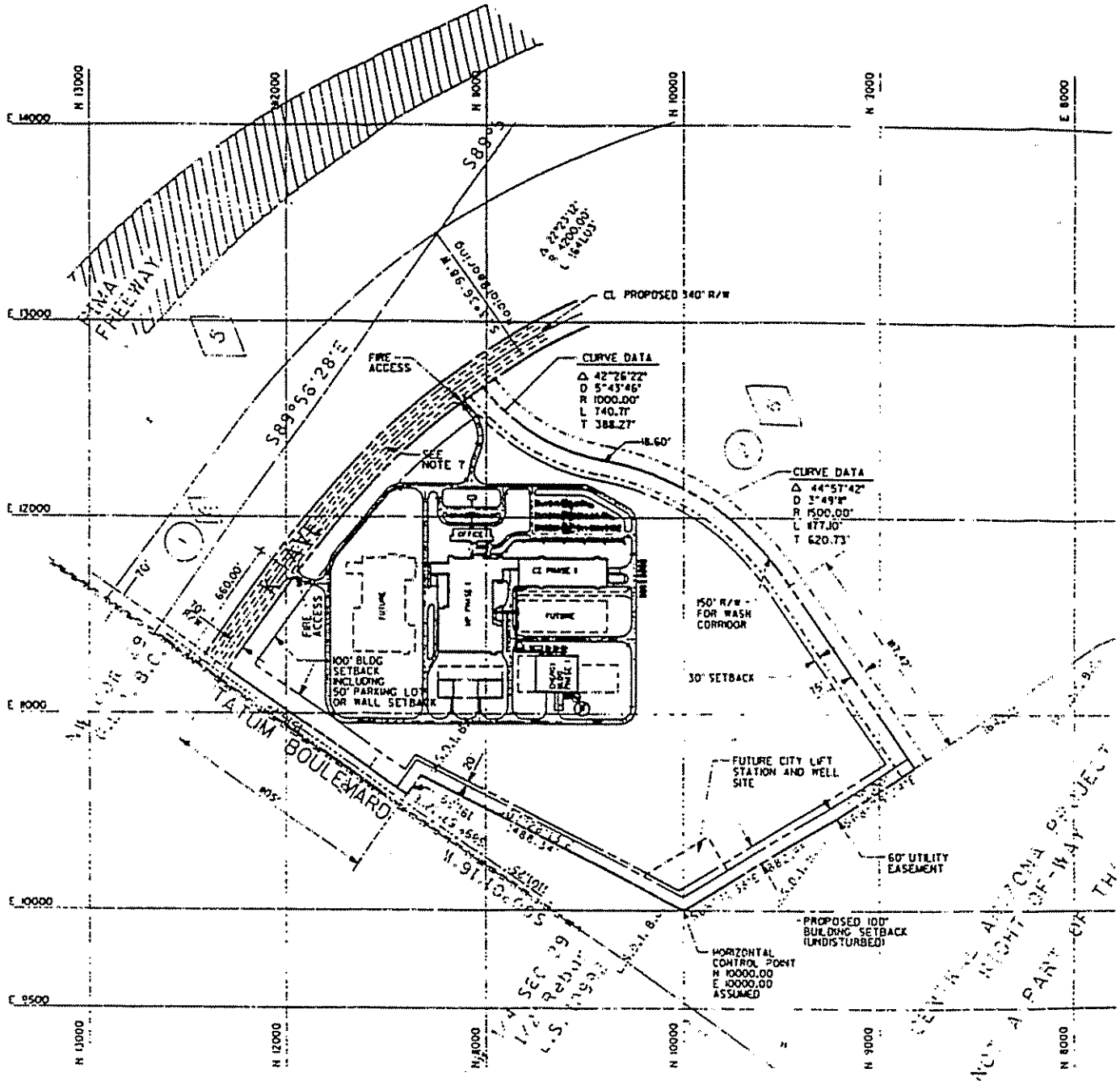
**\* Total Uses (I.C.) must equal Total Sources (II.F.)**



# ATTACHMENT C

## ECONOMIC STRENGTH PROPOSAL

### SITE PLAN FOR SITIX OF PHOENIX



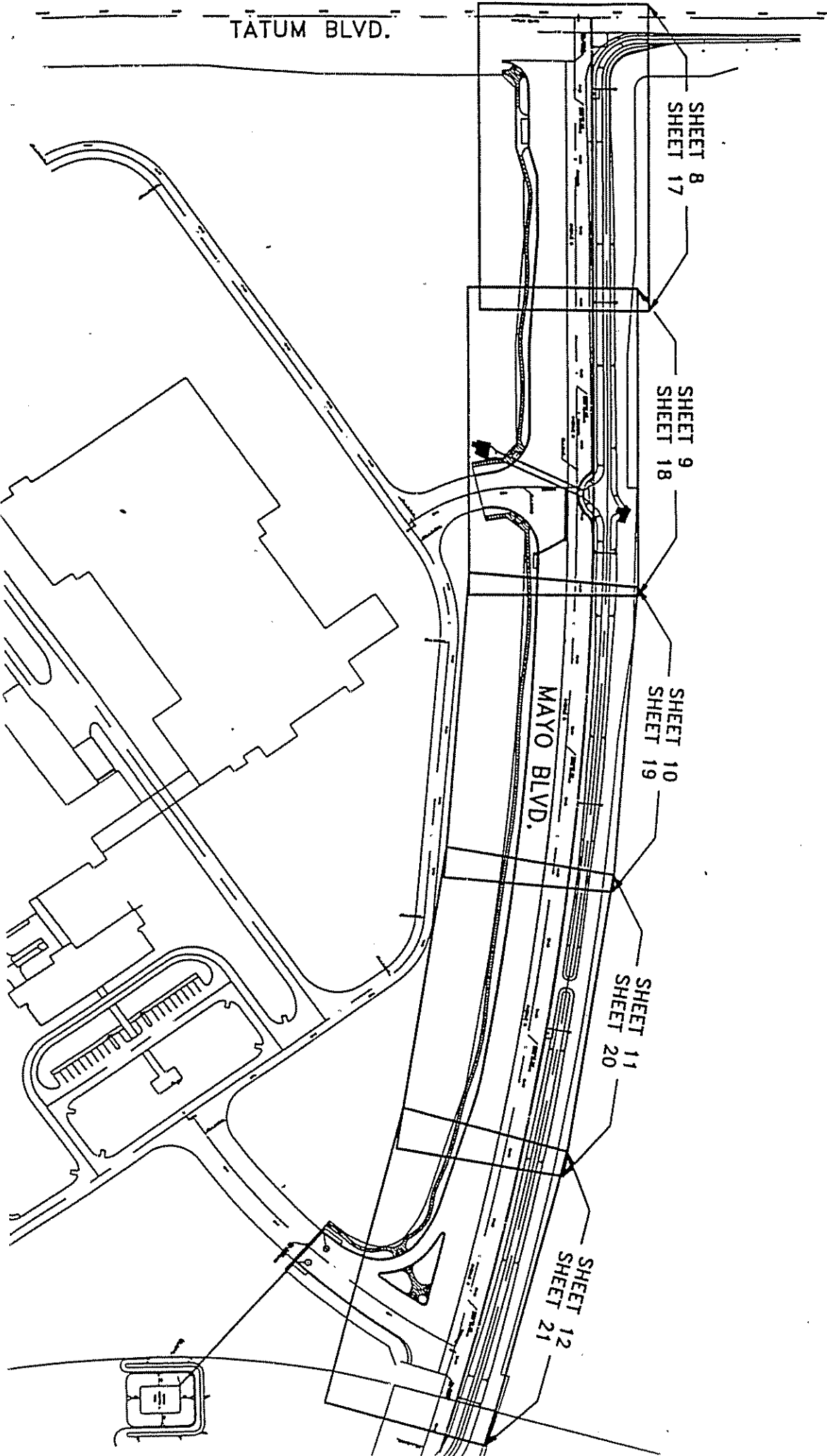
PLANT  
NORTH

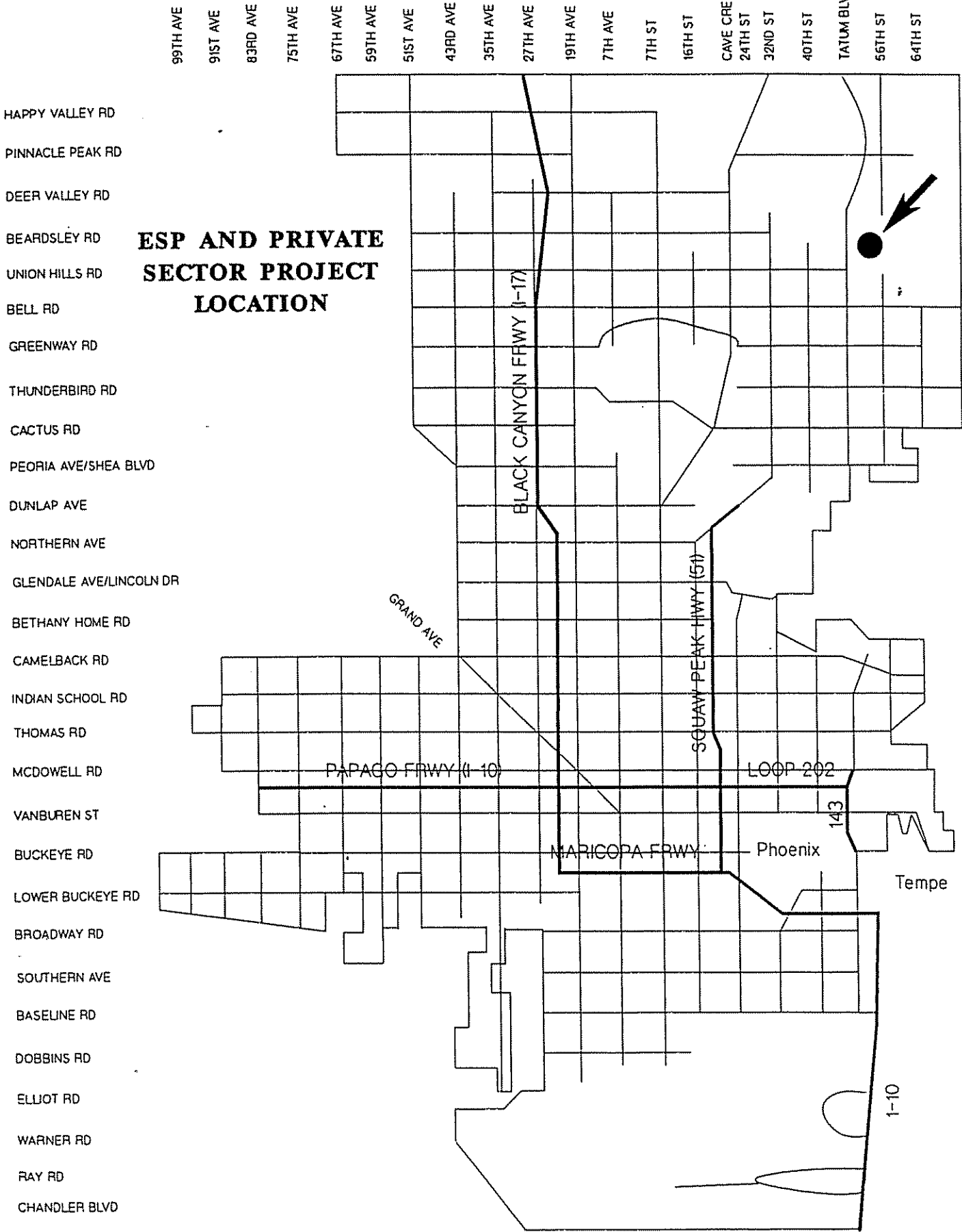
CONCEPTUAL SITE PLAN

SCALE: 1"=400'

ABBREVIATIONS

**ATTACHMENT D**  
Improvements for Mayo Blvd.  
Tatum Blvd. To 52nd Street





## ATTACHMENT F

### Employment Detail

15. a 1 & 2) Estimated number of Construction Jobs Created by ESP and Private Sector Project

<u>Category</u>	<u>Number</u>	<u>Hourly Wage</u>	<u>Annual Wages</u>
Supervisory	57	\$30	\$3,556,800
Skilled Trades persons	342	\$20	\$14,227,200
Laborers	171	\$15	\$5,335,200
Total	<u>570</u>		<u>\$ 23,119,200</u>

15. b (1) Permanent Jobs Created by Sitix of Phoenix- (Average wage = \$33,300)

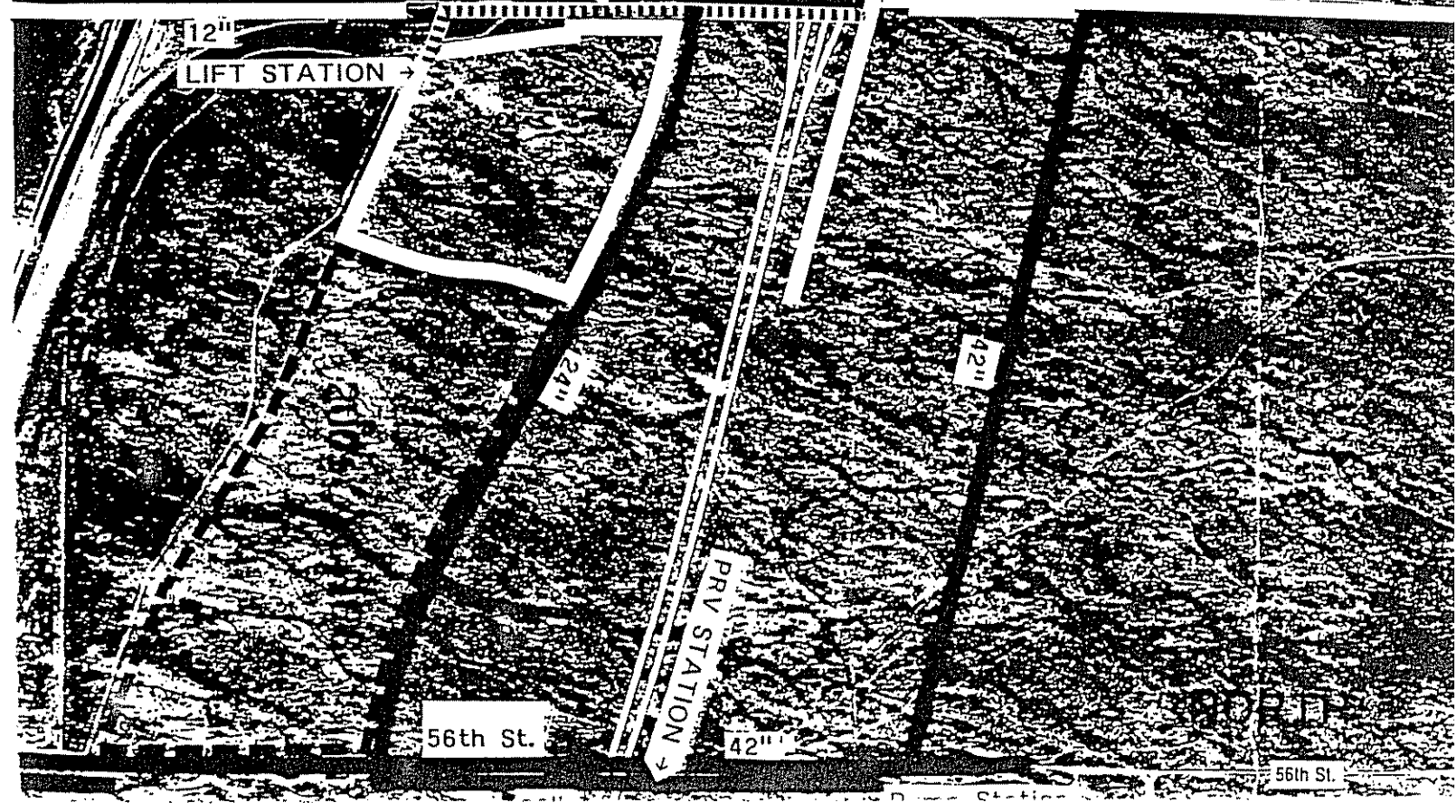
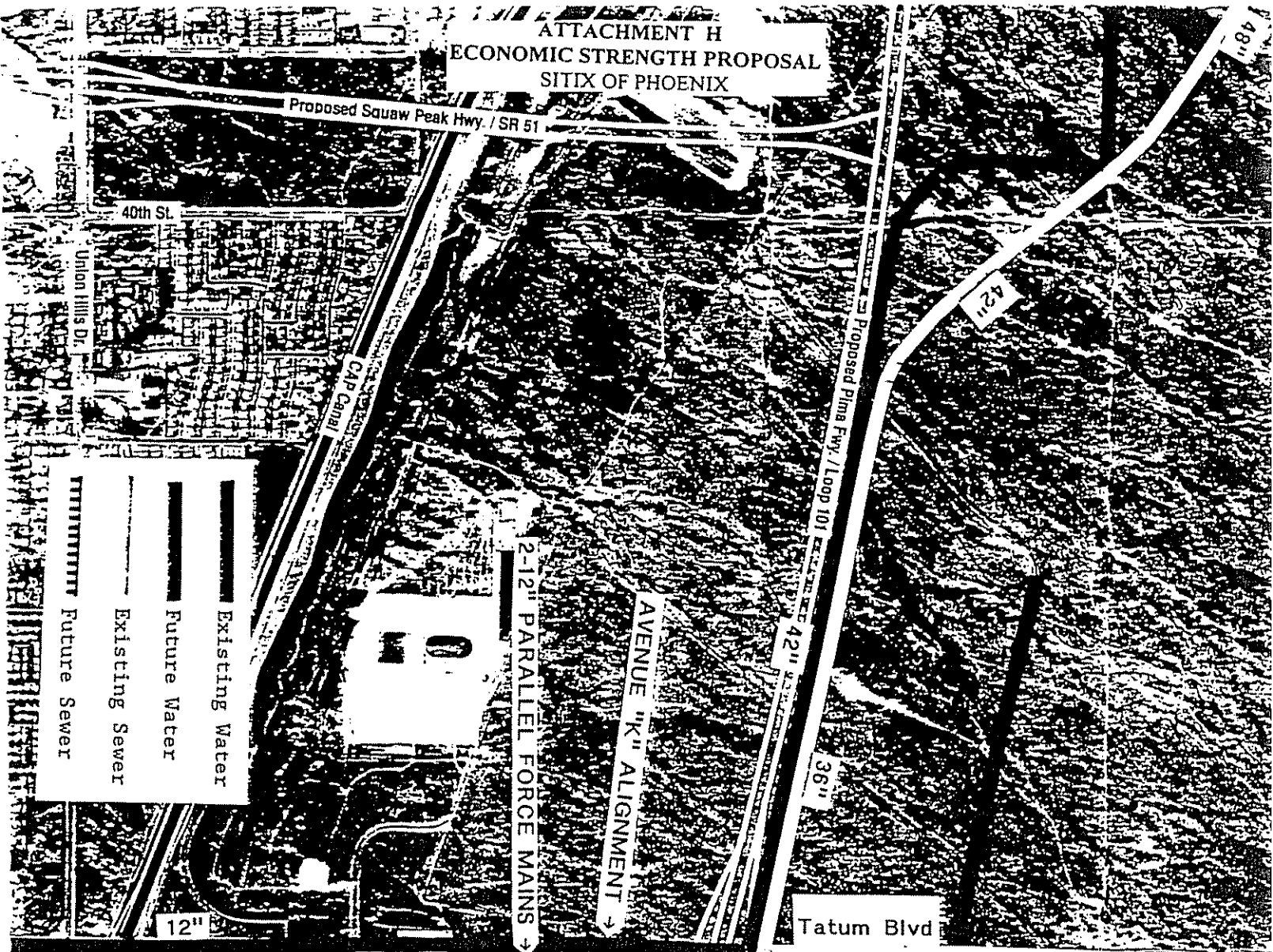
<u>Category</u>	<u>Number</u>	<u>Ave. Annual Wage*</u>	<u>Total Wages</u>
Operators	250	22,880	5,720,000
Technicians	100	37,440	3,744,000
Office/clerical	20	27,040	540,800
Engineers/Professionals	45	57,500	2,587,500
Operation/management	35	77,500	2,712,500
Total	<u>450</u>		<u>\$15,304,800</u>

(\*mid range of salaries given. Some categories will have significant variance)

**ATTACHMENT G**  
**Cost / Benefit Analysis**

<b>Costs</b>	
<u>Off-site Infrastructure Improvements</u>	
ESP Funding	\$100,000
Other public sector participation	\$6,900,000
Total Costs	<u>\$7,000,000</u>
<b>Benefits</b>	
<u>One-time Capital Investment</u>	
Sales tax generated from Building and on-site improvements	\$4,582,500
Sales tax generated from other infrastructure and off-site improvements	\$291,798.94
Construction payroll	\$23,119,200
Subtotal of One Time Benefits	<u>\$27,993,498</u>
<u>Reoccurring Benefits</u>	
Annual Payroll (See Attachment F)	\$15,000,000 450 Jobs
lease payments to AZ Dept. of Land (per year)	\$850,000
Property taxes (estimated per year)	\$1,700,000
Sales tax from annual in-state purchases and expenditures	\$6,345,000
Subtotal of Reoccurring Benefit	<u>\$23,895,000</u>
Total Benefits	<u>\$ 51,888,498</u>

ATTACHMENT H  
ECONOMIC STRENGTH PROPOSAL  
SITIX OF PHOENIX



# ATTACHMENT I

COST ESTIMATE  
FOR  
MAYO BLVD.  
TATUM BLVD. TO 52nd STREET  
P-955005

<u>DESCRIPTION</u>	<u>COST ESTIMATE</u>
SUBGRADE PREPARATION-	21,650.00
ASPHALT PAVING	130,200.00
CONCRETE FLATWORK	85,000.00
CONCRETE STRUCTURES	69,000.00
TRAFFIC CONTROL DEVICES	10,000.00
TRAFFIC SIGNALS	20,000.00
HAULING	10,000.00
MONUMENTS, VALVE AND MANHOLE ADJUSTMENTS	3,000.00
STREET LIGHT TRENCHING	16,000.00
STORM DRAIN PIPE	28,000.00
LANDSCAPE MATERIAL (Trees, Shrubs)	9,000.00
LANDSCAPE IRRIGATION SYSTEM	36,000.00
LANDSCAPE GRANITE	5,000.00
CHANNEL EXCAVATION	15,000.00
<u>ALLOWANCES &amp; CONTINGENT ITEMS</u>	<u>60,000.00</u>
TURNING LANE PAVING	46,470.00
TOTAL	<u>\$564,320.00</u>



**City of Phoenix**  
OFFICE OF THE CITY MANAGER

Winner of the  
Carl Bertelsmann  
Prize for



March 21, 1996

Ms. Sara Goertzen-Dial  
Director  
Arizona Department of Commerce  
3800 North Central, Suite 1500  
Phoenix, AZ 85012

Dear Ms. Goertzen-Dial:

On behalf of the City of Phoenix, I would like to request your support for the City's Economic Strength Project proposal to assist in the half street improvements on Mayo Boulevard from Tatum Boulevard to the 52nd Street wash corridor. This project is a critical element in the development of Sitix of Phoenix's new 520,000 square-foot silicon wafer manufacturing facility in Desert Ridge. The Sitix of Phoenix project will provide 450 quality new jobs to Phoenix area residents and represents \$400 million in new investment in the community.

The Sitix of Phoenix project will provide direct benefits to the metropolitan area and the State of Arizona. It is projected that Sitix of Phoenix will pay approximately \$15,000,000 in annual payroll, and will contribute over \$6 million in taxes annually.

The Sitix of Phoenix project also represents the most significant investment to date by a Japanese corporation in Arizona. The City of Phoenix feels that the project will be a catalyst to future high technology and foreign investment in Arizona. The semiconductor market is expanding worldwide, and Arizona is now in a position to attract these quality employers.

Thank you for your consideration of this request. If you have any questions, please call Brian Kearney with our Community and Economic Development Department at 495-5329.

Sincerely,

Frank Fairbanks  
City Manager

LP:cp/lpl6125/f:cp/lp96



BOARD OF DIRECTORS

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James L. Adler  
Squire, Sanders & Dempsey

Vice Chairman of Administration  
Gil Montanez  
Gold Tech Industries

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Gail Howard  
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David Holmes  
Fed Ex

Jeffrey W. Hull  
ETIC

Marv Kaplan  
Center for Software Excellence

David Krieger  
City of Phoenix

Bertha A. Landrum  
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Schmidt, Hopkins & Co. P.L.C.

Valene Manning  
Phoenix Chamber of Commerce

Ken Meldon  
British Airways

Cecil Miller  
Arizona District Export Council

Michael V. Mulchay  
Fennemore Craig  
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Richard Oney  
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Gary Pacific  
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Mike Rappoport  
Salt River Project

Marv Ann Rizzo  
Joseph F. Rizzo Co.

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Johnson & Higgins

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Country Estate Pecos

Ben Warren  
Arizona Public Service

Charles White  
Motorola

Frank Woods  
US & Foreign Commercial Service

Bartara McConnell Barrett  
Chairman Emeritus

PRESIDENT  
Susan Lentz-Hawley



March 19, 1996

Sara Goertzen Dial  
Arizona Department of Commerce  
3800 North Central Ave., Suite 1500  
Phoenix, AZ 85012

**Re: Sitix - Economic Strength Project Grant**

Dear Director Dial:

The Arizona World Trade Center ("WTC") Board of Directors has authorized this letter in support of the application of Sitix of Phoenix, Inc. ("Sitix") and the City of Phoenix for an Economic Strength Project Grant with respect to the Sitix silicon wafer facility.

The WTC is composed of over 650 company and individual members directly or indirectly involved in international trade and business. As strong believers in the principles of free and unrestricted international trade and commerce, we are pleased, as part of this ongoing process, that Sitix is locating its new facility here.

We are confident that this facility will provide direct, well-paying employment opportunities to Northeast Valley residents. It will enable employees to avoid a long automobile commute to work, with an obvious environmental benefit. It will be of assistance in strengthening the customers of Sitix--Intel and Motorola, for example, by providing them with the proximity of a major supplier, with attendant benefits that will enhance their global economic competitive positions.

The City and State will receive major lease, sales and property tax payments from the construction and operation of the plant. Sitix is investing \$400 million, generating these revenues and providing excellent employment opportunities. These revenues are direct economic benefits from the project to the State economy.

Thus, the WTC believes that the Sitix plant location in Phoenix is precisely within the intent of the Economic Strength Project legislation by its benefits to the entire State. The WTC is pleased to support the application.

Sincerely,

James L. Adler, Jr.  
Chairman of the Board

WORLD TRADE CENTER ARIZONA  
201 North Central Avenue, Suite 2700 Phoenix, Arizona 85073 USA  
(602) 495-6480 FAX (602) 253-9488  
E-mail: wtcariz@indirect.com  
Internet: <http://www.banet.com/wtcz/wtcz.htm>



Two N. Central Ave., Suite 2500  
Phoenix, Arizona 85004-4469  
602.256.7700 FAX 602.256.7744

March 18, 1996

To Whom It May Concern:

I am writing in support of the Sitix of Phoenix and the City of Phoenix application for a \$100,000 Economic Strength Project grant adjacent to the Sitix of Phoenix silicon wafer manufacturing facility.

We are pleased that Sumitomo has chosen Phoenix as the site of its new manufacturing facility. The Sitix of Phoenix plant will provide quality employment to approximately 450 residents in the Northeast Valley. The entire State of Arizona will benefit from the future investment and employment opportunities stimulated by Sumitomo's presence in our community.

It is my understanding that from the \$400 million construction of the plant's alone, the City and State will receive an estimated \$5 million in sales tax revenues, and that the plant's operation will bring in an additional \$5 million in sales taxes each year. It will also generate about \$1.7 million each year in property tax revenues. These contributions provide direct revenue to our state economy.

The location of Sumitomo's Sitix of Phoenix project in Phoenix truly needs the intent of the Economic Strength Project legislation by benefiting the entire state. I strongly support their application.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Ioanna Morfessis".

Ioanna T. Morfessis  
President and CEO

st



PHOENIX CHAMBER OF COMMERCE

*The Business  
Information Experts.*

*Bank One Center  
201 North Central Avenue  
27th Floor  
Phoenix, Arizona 85003  
602 495-2195  
Fax 602 495-8913*

March 20, 1996

To Whom It May Concern:

I am writing in support of the Sitix of Phoenix and the City of Phoenix application for a \$100,000 Economic Strength Project grant adjacent to the Sitix of Phoenix silicon wafer manufacturing facility.

We are pleased that Sumitomo has chosen Phoenix as the site of its new manufacturing facility. The Sitix of Phoenix plant will provide quality employment to approximately 450 residents in the Northeast valley. The entire State of Arizona will benefit from the future investment and employment opportunities stimulated by Sumitomo's presence in our community.

It is my understanding that from the \$400 million construction of the plant alone, the City and State will receive an estimated \$5 million in sales tax revenues, and that the plant's operation will bring in an additional \$5 million in sales taxes each year. It will also generate about \$1.7 million each year in property tax revenues. These contributions provide direct revenue to our state economy.

The location of Sumitomo's Sitix of Phoenix project in Phoenix truly fill the intent of the Economic Strength Project legislation by benefiting the entire state. I strongly support their application.

Sincerely,

  
Valerie Manning  
President and CEO

ARIZONA DEPARTMENT OF TRANSPORTATION  
JOINT PROJECT ADMINISTRATION

[illegible]

Submitted By: _____	Date _____	: Total	:	:
		: To	:	:
		: Date	:	:
Approved By: _____	Date _____	: Total	:	:
Department of Commerce		: Previous	:	:
		: Report	:	:
Approved By: _____	Date _____	:	:	:
ADOT Project Manager		: Current	:	:
		: Report	:	:
Approved By: _____	Date _____			
Joint Project Administration				

ORDINANCE NO. S 23670

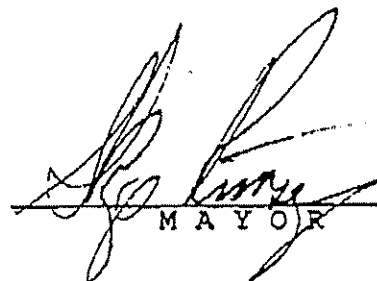
AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE ARIZONA DEPARTMENT OF TRANSPORTATION TO PROVIDE FOR A \$100,000 GRANT TO THE CITY FOR CONSTRUCTION OF ROAD IMPROVEMENTS TO MAYO BOULEVARD, FROM TATUM BOULEVARD TO THE 52ND STREET WASH CORRIDOR AND AUTHORIZING THE CITY CONTROLLER TO ACCEPT AND DISBURSE SUCH GRANT FUNDS.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PHOENIX as follows:

SECTION 1. That the City Manager or his designee is hereby authorized to enter into an Intergovernmental Agreement with the Arizona Department of Transportation to provide for a \$100,000 grant to the City of Phoenix for construction of road improvements to Mayo Boulevard, from Tatum Boulevard to the 52nd Street wash corridor.

SECTION 2. The City Controller is hereby authorized to receive and disburse such grant funds provided by the Arizona Department of Transportation pursuant to the Intergovernmental Agreement authorized hereby.

PASSED by the Council of the City of Phoenix  
this 12 day of June, 1996.

  
MAYOR

ATTEST:

 City Clerk

APPROVED AS TO FORM:

 ACTING  
City Attorney

REVIEWED BY:

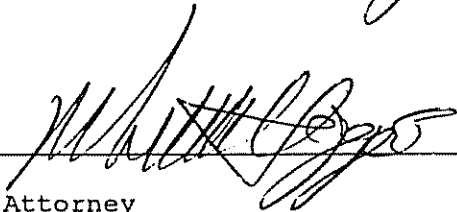
 ASSISTANT  
City Manager

EX-100-10001  
JUN 28 1996  
JUN 28 1996

APPROVAL OF THE PHOENIX CITY ATTORNEY

I have reviewed the above referenced proposed intergovernmental agreement, between the DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION, and the CITY OF PHOENIX and declare this agreement to be in proper form and within the powers and authority granted to the City under the laws of the State of Arizona.

DATED this 15th day of August, 1996.

  
\_\_\_\_\_

ACTING City Attorney



STATE OF ARIZONA

OFFICE OF THE ATTORNEY GENERAL

1275 WEST WASHINGTON, PHOENIX 85007-2926

GRANT WOODS  
ATTORNEY GENERAL

TRN Main: 542-1680  
Direct: 542-8837  
Fax: 542-3646

MAIN PHONE: 542-5025  
TELECOPIER: 542-4085

### INTERGOVERNMENTAL AGREEMENT DETERMINATION

A.G. Contract No. KR96-1674-TRN, an agreement between public agencies, has been reviewed pursuant to A.R.S. § 11-952, as amended, by the undersigned Assistant Attorney General who has determined that it is in the proper form and is within the powers and authority granted to the State of Arizona.

No opinion is expressed as to the authority of the remaining parties, other than the State or its agencies, to enter into said agreement.

DATED this 4th day of September, 1996.

GRANT WOODS  
Attorney General

A handwritten signature in cursive script, reading "James R. Redpath", is written over a horizontal line.

JAMES R. REDPATH  
Assistant Attorney General  
Transportation Section

JRR:lsr  
[902]